



Hundredth Legislature - First Session - 2007
Committee Statement
LB 151

Hearing Date: March 20, 2007

Committee On: Judiciary

Introducer(s): (Gay)

Title: Provide a statute of limitations for certificate of deposit obligations as prescribed

Roll Call Vote – Final Committee Action:

- Advanced to General File
 - X Advanced to General File with Amendments
 - Indefinitely Postponed
-

Vote Results:

6	Yes	Sen. Ashford, Sen. Lathrop, Sen. McDonald, Sen. McGill, Sen. Pedersen, Sen. Pirsch
	No	
1	Present, not voting	Sen. Chambers
1	Absent	Sen Schimek

Proponents:

Sen. Gay
Bob Hallstrom
Julia Plucker

Representing:

Nebraska Banker's Association
Credit Union

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes: Legislative Bill 151 amends N.R.S. §3-118 of the Uniform Commercial Code to clarify the statute of limitations to enforce payment on a certificate of deposit (CD). Under the bill, the statute runs from the earlier of:

1. The time that an action to enforce an obligation under 3-118 of the Uniform Commercial Code must be commenced, if the CD is subject to such section; or
 2. Six years after the later of:
 - a. The maturity date of the CD;
 - b. The due date of the CD indicated in the depository institution's last written notice of renewal of the CD, if any;
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- c. The date of the last written communication from the depository institution recognizing the depository institution's obligation with respect to the CD; or
- d. The day of the taxable year for which the owner of a CD last reported interest earned on the CD on a federal or state income tax return.

Explanation of amendments, if any: COMMITTEE AMENDMENT

Committee Amendment 539 extends the alternative statute of limitations proposed under LB 151 to seven years. By changing the statute of limitations from six to seven years, the provisions of the bill will correspond with the record retention period for state banks and the unclaimed property retention period for automatically renewable CDs, which are both seven years.

Senator Brad Ashford, Chairperson